

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

RECEIVED

APR 22 1998

DOCKET FILE COPY ORIGINAL

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Assessment and Collection  
of Regulatory Fees for  
Fiscal Year 1998

MD Docket No. 98-36

**COMMENTS OF THE SATELLITE INDUSTRY ASSOCIATION**

The Satellite Industry Association ("SIA") hereby submits its comments in response to the Notice of Proposed Rulemaking (the "NPRM") in the above-referenced proceeding.

The SIA is a national trade association representing the leading U.S. satellite manufacturers, service providers and launch service companies. The SIA was established to serve as an advocate for the U.S. commercial satellite industry on regulatory and policy issues common to its members. With 16 current executive member companies providing a broad range of manufactured products and services, SIA represents the unified voice of the U.S. commercial satellite industry.<sup>1</sup>

SIA is concerned that a proposal in the NPRM seeks without justification to raise regulatory fees for U.S. geostationary and low-earth-orbit satellite system operators. In the NPRM, the Commission is considering whether it should revise or amend its regulatory fee schedule for geostationary space stations and low-earth-orbit satellite systems which it is required to do by statute under the Communications Act (47 U.S.C. § 159). In 1998, the Commission has proposed an increase in annual regulatory fees for geostationary space stations from \$97,975 to

<sup>1</sup> The SIA is an operating entity of the Satellite Broadcasting and Communications Association ("SBCA") and represents the United States commercial satellite industry. SIA's executive members are: American Mobile Satellite Corporation, Boeing Commercial Space Company, COMSAT Corporation, GE American Communications Inc., Globalstar LP, Hughes Communications Inc., Iridium LLC, Lockheed Martin Corp., Loral Orion Network Services Inc., Loral Space & Communications Ltd., Motorola, Orbital Sciences Corporation, PanAmSat Corporation, Teledesic Corporation, TRW Inc. and Williams Vvyx Services.

2 Copies rec'd  
CODE

026

\$119,000 per satellite. Similarly, the Commission is proposing an increase in the regulatory fee for low-earth-orbit satellite systems from \$135,675 to \$164,800.

SIA is opposed to any increase in the annual regulatory fee for geostationary space stations or low-earth-orbit satellite systems. SIA believes the proposed fees for U.S. satellite operators exceed the actual cost of regulating geostationary and low-earth-orbit satellite systems. The proposed increase in fees is therefore unwarranted and should not be adopted.

Section 9(b) of the Communications Act, as amended, 47 U.S.C. § 159(b)(1)(A), requires the Commission to set its fees in such a way that they are reasonably related to the benefits conferred upon parties subject to the Commission's imposition of such fees. The Commission has failed to show that either the benefits to U.S. satellite operators or the work performed by Commission staff have increased, thus justifying the proposed fee hike. The regulatory fee increase proposed in the NPRM thereby fails to meet the requirement that fees should be related in some measure to the regulatory work performed by the Commission.

The Commission's proposal to raise the regulatory fees for geostationary space stations from \$99,975 to \$119,000 per satellite is based on its own estimation that \$5,677,869 in regulatory costs are directly attributable to the 46 space stations under their purview. On average, the Commission is now claiming its costs have risen 23 percent, from \$99,975 in 1997 to \$123,000 per geostationary space station in 1998. The regulatory fee per geostationary space station was raised from \$70,575 in 1996 for a total proposed increase of nearly 69 percent in only two years.

In reality, most costs associated with regulating geostationary space stations and low-earth-orbit satellite systems are incurred by the Commission in the satellite licensing process and are duly covered by the application fees that average more than \$85,000 per geostationary space station and \$225,080 per low-earth-orbit satellite system. Once satellite services are authorized by the Commission, it incurs limited expenses in overseeing actual satellite operations. In fact, the Commission rarely gets involved in coordination and interference issues relating to licensed satellites.

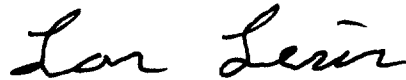
Moreover, SIA believes that the proposed increases in regulatory fees for low-earth-orbit satellite systems are also unwarranted and unrelated to the actual costs associated with the Commission's activities. The Commission is proposing an increase in the regulatory fee from \$135,675 per satellite system in 1997 to \$164,800 per satellite system in 1998. Previously, the regulatory fee was raised from \$97,725 in 1996 for a total proposed increase of nearly 70 percent in only two years.

The U.S. satellite industry provides a wealth of innovative new services to businesses and consumers including: mobile personal communications, private networks, broadcast video distribution, direct-to-home entertainment and broadband satellite services. The Commission should not increase the regulatory fees for geostationary space stations and low-earth-orbit satellite systems unless it can demonstrate that there is an equal increase in related regulatory activities requiring additional staff time and resources.

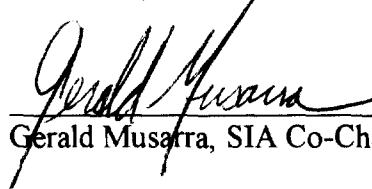
Respectfully submitted,

The Satellite Industry Association

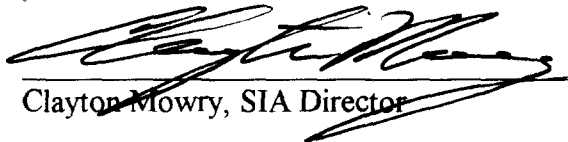
By:



Lon Levin, SIA Co-Chair



Gerald Musarra, SIA Co-Chair



Clayton Mowry, SIA Director

Satellite Industry Association  
225 Reinekers Lane, Suite 600  
Alexandria, VA 22314  
Tel: 703/549-8697

April 22, 1998